



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of Pacific Gas and Electric
Company (U 39 M) for Authorization of
PG&E's Customer Service Office Closure and
Transformation Proposal

Application 22-04-_____

U 39 M

**APPLICATION OF PACIFIC GAS AND ELECTRIC
COMPANY (U 39 M) FOR AUTHORIZATION OF PG&E'S
CUSTOMER SERVICE OFFICE CLOSURE AND
TRANSFORMATION PROPOSAL**

REQUEST FOR EXPEDITED SCHEDULE

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I. INTRODUCTION

Pursuant to Article 2 of the California Public Utilities Commission's ("CPUC" or "Commission") Rules of Practice and Procedure and Decision ("D.") 07-05-058, Pacific Gas and Electric Company (PG&E) respectfully submits this application requesting authorization to close all PG&E Customer Services Offices ("CSOs") and transition our CSO employees' scope to focus on targeted customer outreach to our most vulnerable customers ("Application").

II. BACKGROUND AND REQUESTED RELIEF

In PG&E's 2007 General Rate Case ("GRC") Decision (D. 07-05-058), the Commission approved PG&E's request to close nine of our CSOs. Subsequently, in PG&E's 2020 GRC, the Commission approved a multi-party settlement agreement which authorized the closure of ten additional CSOs.¹ PG&E is now requesting authorization to close the remaining 65 CSOs and transition our CSO employees' scope to focus on targeted customer outreach to our most vulnerable customers. The outreach would be through outbound calls, "case management" support, and community-based organization ("CBO") engagement.

In March 2020, due to concerns for its employees, customers, and the public's health and safety during the COVID-19 pandemic, PG&E closed all of its CSOs to the public.

¹ D.20-12-005, p. 180.

Contemporaneously, PG&E is filing a motion seeking to maintain the status quo of all the CSOs during the pendency of this Application. PG&E requests to keep all CSOs closed until the Commission issues its decision in this proceeding.

Below PG&E summarizes its Application and the Prepared Direct Testimony submitted in support of this Application. PG&E proposes to transform our CSO organization (“CSO Closure and Transformation Proposal” or “Proposal”) to a “case management” approach including by leveraging our partnerships with CBOs to better engage with and provide support to our low-income, disabled, and vulnerable customers. This new approach allows PG&E to forge deeper connections with customers to provide more extensive and meaningful service than the CSOs formerly could provide.

III. SUMMARY OF APPLICATION AND SUPPORTING TESTIMONY²

Prior to March 2020 and the COVID-19 pandemic, PG&E operated 65 CSOs which provided customers the option of paying their bills in-person, inquiring about accounts, and completing other customer service transactions. In 2019, 93 percent of all CSO transactions were payments.³ In March 2020, PG&E closed all CSOs to ensure the safety of its employees and customers in light of the COVID-19 pandemic.

Our analysis of customer payments during the pandemic shows that CSO customers, including those who are low-income, disabled, and vulnerable, successfully transitioned to other payment channels. Ninety-eight percent of our customers migrated to other payment channels by the end of 2021.⁴ The primary channels that our formerly exclusive CSO customers now use to pay their bills are: mail (29%), web (25%) pay by phone (24%), and Neighborhood Payment Centers (“NPCs”) (17%).⁵ Further, those CSO customers who were enrolled in California

² In support of this Application, PG&E includes the Prepared Direct Testimony of Christopher Zenner (Exhibit PG&E-01), which describes the CSO Closure and Transformation Proposal. To the extent that data is available to PG&E, it has been included in Mr. Zenner’s testimony.

³ Note that the volume of CSO payments had already been in decline from 2017 to 2019.

⁴ Exhibit PG&E-01 at 5.

⁵ Exhibit PG&E-01 at 5-6.

Alternative Rates for Energy (“CARE”), Family Electric Rate Assistance (“FERA”), and Medical Baseline transitioned to other payment channels at a greater rate than customers who were not enrolled in those programs.⁶

Additionally, since March 2020, we have re-assigned our CSO workforce to proactively call customers whose bills are in arrears to help them reduce their past due balances and better manage their bills. This included enrolling them in assistance programs such as CARE, FERA, the Arrearage Management Plan (“AMP”), and Medical Baseline.⁷ We also helped customers access financial assistance through the Low-Income Home Energy Assistance Program (“LIHEAP”) and Emergency Rental Assistance Program (“ERAP”).⁸ Outreach will also include general information on other utility assistance programs.⁹

Since transitioning to this new scope of work, our CSO representatives have been able to provide more meaningful and specialized service to our low-income, disabled, and vulnerable customers than they could prior to the temporary closure of the CSOs. These conversations forge a deeper connection between our customer service representatives than would have been possible at a CSO.¹⁰ In particular, our CSO representatives have been proactively connecting with customers who are behind on their bills and providing ongoing and recurring outreach that is necessary to help customers make consistent on-time bill payment more achievable.¹¹ This is critical especially as—pursuant to Commission direction¹²—we resume disconnecting residential customers for non-payment in mid- to late-2022 for the first time since we implemented a disconnection moratorium in March 2020.

⁶ Exhibit PG&E-01 at 7.

⁷ Exhibit PG&E-01 at 2.

⁸ Exhibit PG&E-01 at 2-3.

⁹ Exhibit PG&E-01 at 10.

¹⁰ Exhibit PG&E-01 at 3.

¹¹ Exhibit PG&E-01 at 9.

¹² D.21-06-036, pg. 52.

In addition to helping our customers pay their bills, we envision our CSO outreach to support other important initiatives, such as increasing enrollments in our Medical Baseline program and Access and Functional Needs (“AFN”) self-identification for wildfire, Public Safety Power Shutoff (“PSPS”), and other emergency awareness outreach.¹³ This includes education and outreach on our AFN-targeted customer resiliency programs (e.g., Portable Battery Program) to ensure our customers are aware of the options available to them during long-duration outages.¹⁴ Customers will also be informed of PSPS notification protocols and outreach initiatives regarding wildfire and/or de-energization risks for AFN customers as outlined in our 2022 Wildfire Mitigation Plan (“WMP”) or otherwise required by the California Office of Energy Infrastructure Safety or California Public Utilities Commission.¹⁵ Outreach will be provided in accessible formats which includes key information in large print in all printed materials and accessible formats upon request including large print, Braille, and audio formats.¹⁶ For customers who are identified in PG&E’s database as using Relay calls or TTY service, outgoing calls will be made in the customer’s preferred format.¹⁷

The Proposal includes leveraging our partnerships with CBOs. We recognize the important roles that CBOs play in communities because of their established relationships with our customers. Talking about financial hardships can be difficult. Many customers do not want to share their challenges with people outside of their communities. Accordingly, we plan to supplement our CSO outreach with CBO partnerships to help our customers avoid disconnection.¹⁸ This includes paying our CBO partners to enroll customers in applicable benefit programs and exploring new paid approaches for CBOs to help us increase customer retention in

¹³ Exhibit PG&E-01 at 9.

¹⁴ Exhibit PG&E-01 at 9.

¹⁵ Exhibit PG&E-01 at 9.

¹⁶ Exhibit PG&E-01 at 9.

¹⁷ Exhibit PG&E-01 at 9.

¹⁸ Exhibit PG&E-01 at 10.

AMP and other relevant financial assistance programs.¹⁹ We will train these CBOs on our financial assistance programs.²⁰

PG&E will provide customers with a callback number for a new, dedicated PG&E phone line for all the services detailed in the Proposal, which will connect them to a CSO representative for further questions. PG&E's CSO workforce will engage with non-English speaking customers with live support from third-party translation services providers. And finally, PG&E will provide annual training to CSO representatives on the challenges that vulnerable customers face and how to communicate with customers in an empathetic and helpful manner. All of the efforts above are aligned with the Commission's Environmental and Social Justice Plan ("ESJ Action Plan").²¹ Notably, as the new CSO model matures, we intend to evolve our efforts to meet our customers' changing needs.

The proposed closures would result in an estimated \$14.9 million in total cost savings during the 2023 GRC period (2023-2026).²² This includes \$11.8 million in cumulative expense savings and an estimated \$3.1 million for the sale of CSOs that we own.²³ These savings are not included in our 2023 GRC forecast and are based on an assumption that we will begin the process of permanently closing our CSOs by June 2023. The actual savings realized by closing our CSOs will vary each year during the 2023 GRC and later period depending on when we can exit leases or sell CSOs that we own.

Following the Commission's approval of PG&E's CSO Closure and Transformation Proposal and 2023 GRC, PG&E will submit a Tier 2 Advice Letter within 60 days, detailing: (1)

¹⁹ Exhibit PG&E-01 at 10.

²⁰ Exhibit PG&E-01 at 10-11.

²¹ The Commission issued its Version 2.0 Draft of the ESJ Action Plan in October 2021.

²² Note that cost savings may vary based on any revisions in the Commission's final decision on our Proposal. For more information on the estimated cost savings, see WP 1-77 to 1-78. We anticipate that these savings will be reflected in Major Work Categories (MWC) EZ and IU in Exhibit (PG&E-6), Chapter 5 and MWC EP in Exhibit (PG&E-7), Chapter 5.

²³ The sale of PG&E-owned locations will result in one-time savings that will be shared between ratepayers and shareholders in accordance with Public Utilities Code Section 851 and returned to customers through applicable revenue requirement adjustment mechanisms.

the reduction to our adopted electric and gas distribution revenue requirements effective January 1, 2024 resulting from the closure of CSOs up to that date and (2) the savings to be returned to customers that were realized from the date of the CSO closures through December 31, 2023. In subsequent years, by October 1, PG&E will submit the revenue requirement changes associated with CSO closure savings annually until all CSOs have been closed and the property transactions concluded (*i.e.*, sale of buildings concluded or lease expired or terminated) via Tier 2 advice letter. PG&E will serve each Tier 2 advice letter on the service lists for the CSO application and the 2023 GRC.

Within 90 days of the Commission's approval of our proposal, we plan to inform our customers of the closure of the 65 CSOs in the following ways:

- 1) Direct mail and e-mail notices to our approximately 128,000 exclusive CSO customers which include:
 - a) The Commission's decision to close the CSO and closure dates;
 - b) The list of available alternative channels for payments and nonpayment transactions, including the name and address of the nearest²⁴ NPCs;
 - c) Customer service phone numbers and website addresses for additional information and support;
 - d) A list of CBOs²⁵ that PG&E compensates who provide customers information and financial assistance support; and
 - e) Translated messages in 15 non-English languages most commonly spoken in our service area including use of relay service and/or TTY for any verbal communication;
- 2) Providing CBOs information about the closures to share with their constituents;

²⁴ PG&E strives to locate NPCs within 3 miles of CSOs. PG&E will provide the list of NPCs located within 3 miles of the CSO. However, in some cases NPCs will be located outside of this 3-mile radius. In these cases, PG&E will provide the closest NPC as measured in miles.

²⁵ As a starting point, PG&E will use the list from the CBOs identified in the COVID Bill Debt OIR (R.21-02-014) as required by the Commission in D.21-06-036, Ordering Paragraph 8.

3) Posting signage at the closed CSOs for at least one year or until PG&E no longer occupies the location (whichever is sooner) and on our website with information listed above in 1a-e. The signage will also be translated into Spanish and/or Chinese and include tagline translations in 13 other non-English languages²⁶ that point customers to customer service numbers from which the customer can get payment information in their preferred language; and

4) Meeting with representatives of each of the communities affected by the CSO closures to inform them of the closure and discuss PG&E's plans to reduce impacts to customers as a result of the closure.

Additionally, to measure the impacts of our CSO Closure and Transformation Proposal, we propose to track and report the following metrics for three years in a CSO Annual Report.

1. The success rate of customer contact attempts;
2. The number of call backs received;
3. The average speed of answer ("ASA") for the call center²⁷ and web-based online completion rates;
4. The number of customers enrolled by CSO employees in the CARE, FERA, AMP and other assistance programs;
5. The number of ESA program referrals;
6. The number of Medical Baseline program applications sent to customers;
7. The number of LIHEAP pledges from customers contacted by CSO employees;
8. The number of new customers that self-identify as vulnerable, disabled, and AFN as a result of CSO outreach;
9. The number of payment transactions, per channel, with payment transaction data of all CSO exclusive customers, including a separate breakout of data for CARE, FERA, and

²⁶ Vietnamese, Korean, Tagalog, Russian, Arabic, Farsi, Punjabi, Japanese, Khmer, Hmong, Thai, Hindi, and Portuguese.

²⁷ ASA is a measure of the time in seconds it takes for calls to be answered by an agent after the customer enters the queue for an agent. PG&E routinely reports ASA along with other call center metrics in its GRCs. See A.21-06-021 (2023 GRC), PG&E-06, Workpaper 4-5. Note that this is a volatile and seasonal metric influenced by outside factors.

Medical Baseline customers;

10. The number of non-payment transactions, per channel, with non-payment transactions data of all CSO exclusive customers, including a separate breakout of data by CARE, FERA, and Medical Baseline customers;
11. The percentage of CSO exclusive customers who made zero payments in the past twelve months, the percentage of CSO exclusive customers disconnected for non-payment in the past twelve months, and the percentage of CSO exclusive customers in arrears at the time of reporting.
12. The number of NPCs serving each city with a closed CSO and the distance of each NPC from the closed CSO location;
13. The hours of each NPC serving the city within the closed CSO; and
14. The name of every CBO who provided outreach and/or enrollment in utility programs promoting bill affordability serving the city and/or county with the closed CSO, including the language(s) in which services are provided by the CBO and the number of customers that each CBO reports that they have enrolled in utility programs.

We propose to submit CSO Annual Reports to the service list of this and other relevant proceedings beginning March 1 of the first full year following Commission approval of our request and ending on March 1, 2027.

Prior to submitting this Application, we met with the Commission Staff and stakeholder groups to solicit feedback on our proposal to permanently transition to our new CSO customer service model. These stakeholder groups included the International Brotherhood of Electric Workers (“IBEW”) Local 1245, the Commission’s Energy Division and Public Advocates Office (“Cal Advocates”), The Utility Reform Network (“TURN”), and the Center for Accessible Technology (“CforAT”). IBEW 1245 supports our Application and signed a Letter of Agreement²⁸ with PG&E that would enable CSO representatives to permanently transition to

²⁸ Exhibit PG&E-01, Attachment D.

their new scope of work upon Commission approval of this Application. Cal Advocates, TURN, and CforAT do not oppose our Application and signed a Memorandum of Understanding²⁹ (“MOU”) with PG&E based on feedback on opportunities to improve outreach to PG&E’s most vulnerable customers, including how to best notify these customers of the CSO closures and alternative methods of paying their bills. We jointly request that the Commission approve the MOU.

IV. COMPLIANCE WITH THE COMMISSION’S RULES OF PRACTICE AND PROCEDURE

A. Statutory Authority (Rule 2.1).

PG&E files this Application pursuant to Public Utilities Code (“P.U. Code”) Sections 701 and 702 and the Commission’s Rules of Practice and Procedure (“Rules”).

B. Legal Name of Applicant and Related Information (Rule 2.1(a)).

The legal name of the Applicant is Pacific Gas and Electric Company and has been since October 10, 1905. It is organized under the laws of the state of California, and its principal place of business is San Francisco, California. Its post office address is Post Office Box 7442, San Francisco, California 94120.

C. Correspondence and Communications (Rule 2.1(b)).

All correspondence and communications regarding this Application should be sent electronically to Vivian E. Kim and Eileen Cotroneo at the e-mail addresses below. Hard copy mail can be sent to the address listed below, but due to COVID-19 as well as PG&E’s move to its new headquarters, responses to hard copies may be delayed.

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²⁹ Exhibit PG&E-01, Attachment A.

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D. Categorization - Rule 2.1(c).

PG&E proposes that this Application be categorized as a ratesetting proceeding.

E. Need for Hearings (Rule 2.1(c)) and Proposed Expedited Schedule (Rule 2.9)

Because of the limited factual issues to be addressed in this proceeding, PG&E does not anticipate a need for hearings. PG&E has provided ample supporting testimony, analysis and documentation that provide the Commission with a sufficient record upon which to grant the requested relief. In the event that hearings become necessary, PG&E proposes an expedited procedural schedule pursuant to Rule 2.9. PG&E believes that it is in the best interests of ratepayers that the Commission determine this Application by December 15, 2022 to maximize the value of this proposal to ratepayers. Pursuant to Rule 2.9(b), PG&E has included, at Attachment A hereto, specific facts regarding the need for a decision to close all the CSOs on an expedited schedule. PG&E proposes the following expedited schedule:

Application Filed	April 28, 2022
Responses and Protests to Application	May 12, 2022 ³⁰
Reply to Responses and Protests	May 19, 2022
Prehearing Conference	May 26, 2022
Intervenor Testimony	June 30, 2022
Concurrent Rebuttal Testimony	July 22, 2022
Motion for Hearings	August 4, 2022
Evidentiary Hearings (If Necessary)	Week of August 29th
Concurrent Opening Briefs (If No Evidentiary Hearings Held)	August 25, 2022

³⁰ Per Commission Rule 2.6(a), the deadline for responses and protests is 30 days after notice in the Commission's Daily Calendar of the Application. However, because an expedited schedule is being requested here, the proposed date represents 14 days following filing of the Application.

Concurrent Opening Briefs (If Evidentiary Hearings Held)	September 22, 2022
Concurrent Reply Briefs (If No Evidentiary Hearings Held)	September 8, 2022
Concurrent Reply Briefs (If Evidentiary Hearings Held)	October 6, 2022
Proposed Decision	On or before November 14, 2022
Commission Final Decision	On or before December 15, 2022

F. Issues to be Considered (Rule 2.1(c))

The issue to be considered in this proceeding is whether PG&E’s proposed permanent closure of all remaining CSOs and transition the CSO workforce to a targeted customer outreach program to our most vulnerable customers is reasonable.³¹

G. Relevant Safety Consideration (Rule 2.1(c))

PG&E does not believe that the approval of this Application will have a safety impact.

H. Articles of Incorporation (Rule 2.2).

PG&E is, and since October 10, 1905, has been, an operating public utility corporation organized under California law. It is engaged principally in the business of furnishing electric and gas services in California. A certified copy of PG&E's Amended and Restated Articles of Incorporation, effective June 22, 2020, was filed with the Commission on July 1, 2020, with PG&E’s Application 20-07-002. These articles are incorporated herein by reference.

I. Authority to Increase Rates (Rule 3.2)

As this application does not request an increase in rates, Rule 3.2 does not apply.

V. SERVICE

This is a new application. No service list has been established for this proceeding. Accordingly, PG&E will serve this Application and supporting testimony and workpapers, on the parties contained in the service lists for PG&E’s 2023 General Rate Case A.21-06-021.

³¹ PG&E is also filing a Motion for Order Maintaining the Status Quo Pending Resolution of the Application for Authorization of PG&E’s Customer Service Office Closure and Transformation Proposal (“Motion to Maintain Status Quo”) in order to permit the CSOs to remain closed pending determination of this Application.

VI. CONCLUSION

For all the foregoing reasons, PG&E requests that the Commission:

1. Grant PG&E's Request for an Expedited Schedule;
2. Approve the MOU between and among PG&E, TURN, Cal Advocates, and CforAT;
3. Authorize PG&E's CSO Closure and Transformation Proposal; and
4. Grant such other and future relief as the Commission finds to be just and reasonable.

Respectfully Submitted,

By: /s/ Vivian E. Kim
VIVIAN E. KIM

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Dated: April 28, 2022

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

VERIFICATION

I, undersigned, say:

I am an officer of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, and am authorized to make this verification for that reason.

I have read the foregoing, “*Application of Pacific Gas and Electric Company for Authorization of PG&E’s Customer Service Office Closure and Transformation Proposal*” and I am informed and believe the matters therein are true, and on that ground, I allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California this 27th day of April 2022.

/s/ Christopher Zenner
CHRISTOPHER ZENNER
Vice President of Residential Services and
Digital Channels

ATTACHMENT A
REQUEST FOR EXPEDITED SCHEDULE

REQUEST FOR EXPEDITED SCHEDULE

Pursuant to Rule 2.9 of the Commission's Rules of Practices and Procedure, PG&E respectfully requests that this Application for Authorization of PG&E's Customer Service Office Closure and Transformation Proposal ("Application") be considered by the Commission on an expedited basis to maximize the value of this proposal to ratepayers. PG&E is seeking authorization to close all 65 remaining CSOs by December 15, 2022 because in the past few years, there has been a decline of the use of CSOs for their primary purpose – bill payments. PG&E submits that it can repurpose the CSOs to improve service to its most-vulnerable customers, while saving ratepayers substantial additional costs (as outlined below) through expedited approval of this Application.

Closure of the CSOs is justified because while they have been closed during the COVID-19 pandemic, customers have adjusted to alternate channels for all their payment and service needs. Without authorization to permanently close these CSOs, PG&E would be required to (1) negotiate and pay for extensions of leases for five CSOs in the upcoming months; (2) continue to pay for operation and maintenance of the CSOs which PG&E owns, including structure/seismic upgrades for six CSOs, technology upgrades, and security and cleaning costs; and (3) hire and train employees to properly serve customers at the CSOs if the CSOs are reopened.¹ Incurring these expenses would reduce the cost savings to ratepayers that would result from the expedited approval of the Application. Consequently, ratepayers will be harmed by continued financial and legal obligations to maintain these 65 CSOs without a corresponding benefit.

Accordingly, for the reasons stated above and in the Application, PG&E respectfully requests that the proposed expedited schedule outlined in Section E of this Application be approved for purposes of authorizing PG&E to permanently close its 65 CSOs by December 15, 2022.

¹ PG&E will file a motion for status quo to keep the CSOs remained closed during the pendency of the Application.